TTAB

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

In the Matter of:
Trademark Registration No. 2,375,219
For: CUZCATLAN COLA CHAMPAGNE and Design
International Class: 32
and
Trademark Registration No. 2,396,051
For: CUZCATLAN and Design
International Class: 32
and
Trademark Registration No. 2,423,027
For: CUZCATLAN and Design
International Class: 32
and
Trademark Registration No. 2,433,109
For: CUZCATLAN ROJITA and Design
International Class: 32
and
Trademark Registration No. 2,463,527
For: CUZCATLAN COLA CHAMPAGNE and Design
International Class: 32

GEORGE CONTOS and NEIL PRYOR	)	
Petitioners	)	
vs.	)	Cancellation No. 92043017
C.B.I. INTERNATIONAL, INC. F/K/A CUZCATLAN BEVERAGES, INC.	)	
Registrant.	)	
	)	

Petitioners' Reply to Memorandum in Opposition to Motion To Reopen Petitioners' Testimony Period

Petitioner, pursuant to Trademark Rule 2.127(a), replies to Registrant's Memorandum in Opposition to Motion to Reopen Testimony Period and states:

Introduction

The determination of whether a party's neglect is excusable is "at bottom an equitable one taking account of all relevant circumstances surrounding the party's omission." Pumpkin Ltd. v. The Seeds Corps., 43 U.S.P.Q.2d 1582, 1586 (TTAB 1997) (citing Pioneer Inv. Svcs. Co. v. Brunswick Assoc. Ltd. Ptnshp., 507 U.S. 380 (1993)).

In order to balance the equities, there are four factors the Board looks to in assessing whether a party's failure to take testimony during its assigned period was the result of excusable neglect:

> These include...the danger of prejudice to the [nonmovant], the length of the delay and its potential impact on judicial proceedings, the reason for the delay, including whether it was within the reasonable control of movant, and whether the movant acted in good faith.

Registrant's argument addresses only two of the four factors, the reason for the delay and bad faith. Registrant's failure to even mention the other two factors considered by the Board in assessing the equities belies the credibility of its position. All four factors clearly weigh in favor of the requested relief.

Moreover, because the Board's determination of whether to reopen Petitioner's testimony period is ultimately based on whether the Board believes the equities favor Petitioner, it is

important for the Board to understand and consider the meritorious grounds upon which the Petition is predicated.

Petitioners are the owners of the mark CUZCATLAN for soft drinks, having acquired the mark, previously owned by Registrant, as a result of proceedings in the U.S. Bankruptcy Court for the Southern District of Florida in 2001. The Bankruptcy Court also permanently enjoined Registrant from ever using the mark.

Registrant, however, owns the CUZCATLAN COLA CHAMPAGNE mark, and the other related marks that are the subject of this petition. Those marks were cited against Petitioner in its subsequent trademark applications, and hence the subject Cancellation proceeding. Registrant has been permanently enjoined from ever using the mark CUZCATLAN. Therefore, Petitioner has presented a meritorious cancellation petition, and it would be extremely inequitable for Registrant to prevail on a windfall.

Argument

The relevant circumstances here clearly demonstrate Petitioner's failure to present testimony during its assigned testimony period was the product of excusable neglect, and Registrant has failed to prove otherwise.

1. **Petitioner did not present testimony because Registrant refused to respond to discovery.**

Registrant argues that Petitioner's counsel failure to present testimony was not excusable because Petitioner's counsel was aware of the opening of the testimony period. This argument misses the mark.

First, whether Petitioner's counsel was aware of the *opening* date of the testimony period is irrelevant. The fact remains, Petitioner was indisputably unaware, due to a technical failure with its docketing software, of the *closing* date of the testimony period.

In any event, Registrant knows full well the reason Petitioner did not take testimony during the testimony period: Registrant admits on page 7 of its Memorandum it had purposefully withheld its own discovery responses pending receipt of Petitioner's responses, effectively denying Petitioner an opportunity to timely elicit meaningful testimony. In other words, because Registrant had essentially held hostage its discovery responses, even though the responses had admittedly been completed, Petitioner was not in a position to present full and meaningful testimony.

In essence, by withholding its discovery responses and then complaining about Petitioner's failure to timely elicit evidence

during the testimony period, Registrant is effectively attempting to "whipsaw" Petitioner.

Registrant argues Petitioner's delay was due to inattention and lack of due diligence. But the facts simply do not support that assertion. Rather, Petitioner was aware of the deadlines in this proceeding and was actively seeking to obtain the needed discovery from Registrant.

Specifically, as reflected by Registrant's own exhibits and factual recitation, counsel for Petitioner had, over the course of the two months leading up to the December 23 deadline, communicated regularly with Registrant's counsel about the need for Registrant's discovery responses. Although the parties had reached an agreement, on November 11, 2004 Petitioner's counsel learned his client's father had passed away.

This unfortunate event prevented Petitioner from timely responding to discovery. Because Registrant was effectively holding its own discovery responses for ransom pending receipt of Petitioner's discovery responses, Petitioner could not effectively present evidence during its assigned period.

In sum, the death of Petitioner's client's father set in motion a chain of events effectively precluding Petitioner from presenting meaningful testimony during its assigned period. At the very least, it was a circumstance beyond Petitioner's

control that excuses any neglect by Petitioner in timely doing so.

Registrant further argues that Petitioner's delay in moving to reopen the testimony period "was due to multiple incidents of inattention." In particular, Registrant cites to discovery motions filed by Petitioner wherein no request was made to extend the testimony period. This argument too is unavailing.

Whether Petitioner had other opportunities to request an extension of the testimony period is irrelevant to the excusable neglect inquiry. The only issue is whether Petitioner's failure to present testimony is excusable. Here, as stated above, but for Registrant's refusal to timely furnish its discovery responses until receipt of same from Petitioner, Petitioner would have been in a position to timely present evidence.

2. <u>There is no evidence Petitioner's failure to present evidence during its testimony period was the result of bad faith.</u>

Registrant's half-hearted attempt to prove bad faith is unpersuasive. To begin with, while Registrant focuses on instances of alleged bad conduct, Registrant has not cited any evidence whatsoever that Petitioner's failure to present evidence during its testimony period was the result of bad faith.

Instead, Registrant makes the following conclusory allegations in support of its "bad faith" argument: 1) Petitioner misled Registrant by breaking a discovery agreement; 2) Petitioner submitted grounds to the Board that are contrary to statements made to Registrant; and 3) Petitioner attached a letter to its Motion to Reopen that Registrant never received. These arguments are meritless.

First, Registrant does not cite or refer to a scintilla of evidentiary support for its allegations. They are wholly unsupported arguments of Registrant's lawyer and are therefore legally irrelevant.

Moreover, the appropriate inquiry under Pumpkin Ltd. and Pioneer is not whether Petitioner acted badly in general, but whether Petitioner acted in bad faith by failing to present evidence during its testimony period. See Pumpkin Ltd., 43 U.S.P.Q.2d at 1588. Here, as stated above, no such evidence was cited and none exists.

Finally, Registrant's statements are simply not true. First, Petitioner did not intentionally break an agreement not to request additional discovery extensions. Petitioner's counsel could not have known when the agreement was executed his client's father would die shortly before the agreed extension date and that his client would be unable to participate in providing responses.

Second, Registrant has not identified any statements Petitioner made to the Board that are inconsistent with statements Petitioner made to Registrant. In particular, while Petitioner moved the Board for an extension of time based on the voluminous nature of the discovery requests, there is no evidence, and none cited by Registrant, that Petitioner ever informed Registrant it believed the discovery requests were not voluminous.

Third, while Registrant implies Petitioner never mailed to it the letter attached as Exhibit D to the Motion, Registrant's "proof" it never received the letter is not supported by any record evidence, and is therefore a legal nullity. In any event, if the letter was not mailed to Registrant's counsel, it would have been an oversight.

3. **Registrant does not argue it will be prejudiced if it does not receive this windfall.**

As stated above in the Introduction, Registrant never even addresses the issue of prejudice, which is one of the four factors considered by the Board in assessing excusable neglect. Registrant's failure to do so is understandable: it will suffer no prejudice whatsoever should the Board grant Petitioner's Motion to Reopen its testimony period.

Registrant has not made any showing that any of its "witnesses and evidence have become unavailable as a result of the delay in proceedings." See Pumpkin, Ltd., 43 U.S.P.Q.2d at 1587. Moreover, Registrant is not seeking affirmative relief, and therefore will not suffer damage or injury by a delay in these proceedings.

4. **The length of delay and its potential impact on judicial proceedings was minimal**.

Like the foregoing factor, Registrant completely ignores the length of delay and impact on these proceedings. Again, Registrant's failure to address this factor is not surprising. Petitioner's Motion to Reopen was filed on December 30, 2004, a mere seven days after the close of the testimony period. There is little or no impact on these proceedings.

Finally, Petitioner is cognizant of the Board's concerns, expressed in Pumkin, Ltd., that delays may cause the Board to expend additional time and resources. However, Petitioner respectfully submits that, unlike in that case, the delay in presenting evidence was not the result of "sloppy practice or inattention to deadlines," but rather the unfortunate passing of Petitioner's father and Registrant's obstinate refusal to answer Petitioner's discovery until reciprocal responses were provided.

Conclusion

Considering all of the circumstances in this case and a balancing of the Pioneer factors, Petitioner has demonstrated excusable neglect for not presenting evidence during its assigned testimony period, and its Motion to Reopen should be granted.

Dated: Feb 3, 2005

Respectfully submitted,

Robert M. Schwartz, Esq.
RUDEN McCLOSKY SMITH SCHUSTER & RUSSELL P.A.
200 E. Broward Blvd
Fort Lauderdale, FL 33301
Telephone: (954) 761-2918
Facsimile: (954) 333-4118
Attorney for Petitioners

CERTIFICATE OF MAILING BY "EXPRESS MAIL"

"Express Mail" mailing label number EL951439419US

Date of Deposit February 3, 2005

I hereby certify that this paper or fee is being deposited with the United States Postal Service "Express M ail Post Office to Addressee" service under 37 CFR 1.10 on the date indicated above and is addressed to: Assistant Commissioner for Trademarks, Attn: Trademark Trial and Appeal Board, P.O. Box 1451, Alexandria, Virginia 22313-1451.

ROBERT M. SCHWARTZ
(Typed or printed name of person mailing paper or fee)

(Signature of person mailing paper or fee)

ROBERT M. SCHWARTZ, ESQ.

CERTIFICATE OF SERVICE

I HEREBY certify that a true and correct copy of this correspondence is being deposited with the United States Postal Service as first class mail in an envelope addressed to: Cheryl Meide, Esq., Meide Law Firm, P.A., Attorney for Registrant, 6622 Southpoint Drive South, Suite 150, Jacksonville, Florida 32216 on this 3rd day of February, 2005.

ROBERT M. SCHWARTZ, ESQ.